

CORRECTED FISCAL MEMORANDUM HB 930 – SB 1300

May 16, 2007

SUMMARY OF AMENDMENT (006911): Deletes the language of the original bill. Revises the reporting requirements for corporation lessees receiving abatement of local property taxes. Such changes include the requirement that reports be submitted to the assessor of property in the county where the subject property is located. Currently, such reports are submitted to the State Board of Equalization. Authorizes but does not require local governments to audit such information.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Exceeds \$170,000

Increase Local Govt. Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On May 8, 2007 we issued a fiscal memorandum on this amendment indicating an *increase in local government expenditures exceeding \$127,000*. The provisions of the bill mandate the submission of certain information to local property assessors by taxpayers. However the bill authorizes but does not mandate local governments to audit such information. As a result, the increase in local government expenditures is permissive. The corrected fiscal impact of the bill as amended is as follows:

(Corrected)

**Increase Local Govt. Expenditures –
Exceeds \$127,000/Permissive**

Assumptions applied to amendment:

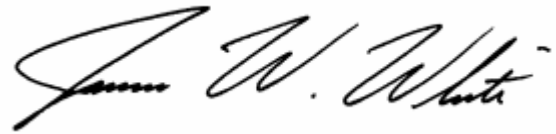
- Approximately 850 reports are filed annually.
- Approximately 15% (127) of these reports would be audited each year if audits were on a six year cycle.
- A cost of \$1,000 per audit.

HB 930 – SB 1300 (CORRECTED)

- Some local governments may need additional staff persons or other resources to conduct the audits authorized by the bill.
- The audits authorized in the bill are not required. As a result, any such expenditure by local governments is permissive.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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